

THE NANKING GOVERNMENT

by

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with the aid of the Research Staff of the Foreign Policy Association

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INTRODUCTION

UPRISINGS against the increasing authority of Chiang Kai-shek, the leader of the Nanking government, have brought renewed warfare to China within recent weeks. The first outbreak, occurring in late September along the upper Yangtze, was led by General Chang Fa-kuei, commander of the famous "Ironsides" division. The revolt became serious when in mid-October the large forces of Feng Yü-hsiang, once known as the Christian General, also took the field against Chiang Kai-shek. In both cases the outbreaks resulted from the definite steps at troop reduction taken during September under the Nanking government's demobilization program.

General Chang Fa-Kuei is a supporter of the left wing of the Kuomintang, and his revolt must be understood in the light of the unyielding opposition of the radical leaders to the right-wing faction led by Chiang Kai-shek. The Kuomintang left wing includes a number of prominent Chinese intellectuals, among whom Wang Ching-wei and Ch'en Kung-po are especially important, but it possesses little military power. It has been excluded from the Nanking government, and most of its leaders have had to flee from China. Nevertheless, its strength is pronounced in the many local Kuomintang organizations throughout China, and the students support it almost to a man. It stands for increased benefits

to the Chinese workers and peasants, rather than to the commercial bourgeoisie on whom the right wing relies. Like the right wing, it has completely broken off Russian affiliations; and it is thus a purely Chinese opposition party.

The "Ironsides" division under Chang Fa-kuei has been attempting to cut its way down through Hunan province into Kwangsi province, with the object of effecting a union there with other forces opposed to Chiang Kai-shek. If Chang Fa-kuei should gain control of Kwangsi and Kwangtung provinces, the left wing would be able to set up an opposition régime at Canton. The left-wing leaders, who now call themselves the "Reorganizationists," issued a long manifesto on September 26. This document attacks Chiang Kai-shek for his military dictatorship, and charges the Nanking government with misuse of public funds, favoritism in official appointments, wasteful extravagance, illegal executions and property confiscations, and other abuses. It calls upon the Chinese people to restore a genuine democracy within the Kuomintang.

This manifesto meant little so long as the one division of Chang Fa-kuei was its single military support. But Feng Yü-hsiang's forces were also facing reduction under the Nanking government's demobilization program, and suddenly in mid-October they were set in motion against Chiang Kai-shek.

At once other disaffected generals, who had been smarting under the reduction of their troops, turned against Chiang Kai-shek, and the government was faced with a widespread revolt. The chief struggle, however, lies between Chiang Kai-shek and Feng Yü-hsiang, who control the largest armies in China. At present the Kuominchün, or People's Army, as the troops of Feng Yü-hsiang are called, are advancing south through Honan province, hoping to wrest Hankow from the control of Chiang Kai-shek. The larger part of Honan province has already fallen to the Kuominchün, and the decisive fighting will probably take place somewhere along the Honan-Hupeh border. Yen Hsi-shan's attitude is still doubtful—his Shansi troops hold the balance of power, and can swing the victory either to Feng Yü-hsiang or Chiang Kai-shek.

Circumstances have forced the Kuomintang left wing and Feng Yü-hsiang into a quasi-cooperation, although Feng has not been a left-wing adherent. The left wing needs the support of Feng's military power, while Feng needs the left-wing intellectuals to supply a personnel adequate to run a government. Whether if Chiang Kai-shek should be defeated Feng Yü-hsiang would associate the left wing with him in the establishment of a new government is open to question. If Chiang Kai-shek should win, the Nanking government would be in a position to enforce upon China the centralized régime toward which it has been working since its formal inauguration a year ago.

THE YEAR'S ADVANCES

The setting up of China's National Government at Nanking on October 10, 1928 by the Kuomintang, or Nationalist Party, signaled the completion of the military stage of the nationalist revolution and the ushering in of the educative stage under party tutelage. During the period of party tutelage the revolutionary autocracy now in control of the Nanking government is pledged to train the people in the exercise of their four powers of election, initiative, referendum and recall. The date 1935 has been set for the beginning of the final stage of true constitutional government, but it is

still too early to determine whether the group now in control at Nanking will at that time be willing or able to abdicate its party dictatorship. In any case it will be long after 1935 before any considerable proportion of China's population will be sufficiently literate to exercise their constitutional rights.

China's internal problems during the past year have revolved around the need of establishing a centralized government powerful enough to overcome a strongly entrenched sectionalism. The achievement of this aim requires the disbandment of the surplus troops of China's sectional leaders, and the reorganization of a national army administered by the central government. Attempts to enforce this program have caused several crises. The first resulted in the elimination of the Kwangsi faction centring at Wuhan and Canton, and the bringing of the greater part of south China under control of the central government. The present crisis with Feng Yü-hsiang originally developed in the spring of 1929, but the actual clash that is now taking place was postponed by an eleventh-hour compromise in July.

The Nanking government has made much greater progress in strengthening its international status than in solving its domestic difficulties. Twelve treaties negotiated by the National Government in the closing months of 1928 marked its definite recognition by the chief foreign powers. These treaties resulted in China's winning the long-sought goal of tariff autonomy. The new tariff schedule went into effect on February 1, 1929. One portion of the increased revenues resulting from it has gone into a sinking fund for the eventual readjustment of China's financial obligations; another portion has been used for reconstruction purposes, especially railway rehabilitation and other public works. The Nanking government is pressing the powers to relinquish their extraterritorial rights and allow Chinese courts to assume jurisdiction over foreigners in China on January 1, 1930. There is a close parallel between the current developments in this situation and those which took place at this time last year when China was attempting to achieve tariff autonomy.

THE RE-UNIFICATION OF CHINA BY THE NATIONALISTS¹

The Nationalist military campaign for the re-unification of China was launched from Canton on July 9, 1926. It was virtually consummated two years later on June 8, 1928, when the Nationalist forces entered Peking. The task of re-unification was fully rounded out in the early months of 1929 by diplomatic victories resulting in the winning of Manchuria to the Nationalist cause, and in the ejection of Japanese forces from Shantung province.

At the beginning of the Nationalist campaign in the summer of 1926 there were six or more centres of authority in China. The Peking government was dominated by a coalition of Chang Tso-lin, the Manchurian overlord, and Wu P'ei-fu, master of the central China provinces around Hankow. The forces of the so-called Christian general, Feng Yü-hsiang, occupied the region northwest of Peking. Yen Hsi-shan, known as the "model governor" for his excellent administration, ruled over the province of Shansi. Chang Tsung-ch'ang governed the province of Shantung. Sun Ch'uan-fang controlled the five coastal provinces around Shanghai. The Nationalists occupied the provinces of Kwangsi and Kwangtung in the extreme south.

The problem of Chiang Kai-shek, Commander-in-Chief of the Nationalist armies at Canton, was to cut through the forces of Wu P'ei-fu and Sun Ch'uan-fang in central China in order to effect a junction with the Nationalist supporters, Feng Yü-hsiang and Yen Hsi-shan, in the northwest.

Chiang Kai-shek's Nationalist forces set out from Canton on July 9, 1926. The early part of the campaign was a series of rapid successes. By October 1926 the Hankow region on the middle Yangtze had come under Nationalist control, and Wu P'ei-fu had been eliminated. The scene of action next shifted to the coastal provinces south of Shanghai, where the Nationalists encountered the resistance of Sun Ch'uan-fang. Repeated Nationalist successes forced Sun Ch'uan-fang to accept the assistance of his former foes—the Shantung governor, Chang Tsung-ch'ang, and the Manchurian overlord, Chang Tso-lin. Even with their help he was

unable to stem the Nationalist tide, and late in March 1927 the Nationalists captured both Shanghai and Nanking.

Dissensions within the Kuomintang prevented the Nationalists from pressing their advantage at this time, and the last phase of their military campaign was delayed for a full year. In April 1928, however, the struggle was resumed in the province of Shantung, and by early June the Nationalists had captured Peking and caused the withdrawal of Chang Tso-lin and his son, Chang Hsüeh-liang, into Manchuria with the bulk of the Manchurian forces. In this offensive the Nationalist allies, Yen Hsi-shan and Feng Yü-hsiang, cooperated on the west along the Peking-Hankow railway, and it was the advance-guard of Yen Hsi-shan's Shansi troops that first entered Peking on June 8. Meanwhile, Chiang Kai-shek's forces had occupied Tsinan, the capital of Shantung, early in May. But here a section of his army clashed with the Japanese troops which had intervened to protect the numerous Japanese residents in the area. This so-called "Tsinan Incident," occurring May 3 to 10, caused Chiang Kai-shek to call his forces back south of Tsinan, and so prevented him from entering Peking with his allies, Yen Hsi-shan and Feng Yü-hsiang, in June.

By June 14 the Peking-Tientsin area was definitely under Nationalist control. During the summer, the remnants of the army of Chang Tsung-ch'ang, the ousted Shantung governor, caused considerable trouble in northeast Chihli province, where they were finally crushed late in September. Chang Tsung-ch'ang, however, slipped out of the Nationalist clutches, escaping on a Chinese junk to Port Arthur.

THE WINNING OF MANCHURIA

When the Nationalists first occupied Peking and Tientsin in June 1928, they had intended to push their military campaign up into Manchuria against the retreating Northern forces. Two causes induced the Nationalist leaders to change to a policy of diplomacy in the winning of Manchuria. The first was fear of complications with the Japanese troops who were guarding the

1. Cf. F. P. A. *Information Service*, "The Rise of the Kuomintang," Vol. IV, No. 8; especially Annex I, "Who's Who in China."

large Japanese interests in that area.² The second was a turnover, favorable to the Kuomintang, within the ranks of the Manchurian leaders. The diplomatic negotiations between the Nationalist and Manchurian leaders were long drawn out, but late in December they resulted in Manchuria's acknowledgement of the suzerainty of the Nanking government.

The death of Chang Tso-lin in June disrupted the reactionary Old Guard within the ranks of the Manchurian leaders, and caused control to pass into the hands of the progressive faction headed by Chang Tso-lin's son, Chang Hsüeh-liang. On July 3 Chang Hsüeh-liang became "Commander-in-Chief" of Manchuria, and immediately instituted negotiations with the Nationalist leaders for the establishment of peaceful relations. Progress in the negotiations was delayed by the Japanese Consul-General in Mukden, Mr. K. Hayashi,³ who warned Chang Hsüeh-liang against joining hands with the Nationalists. Wide publicity was given to this Japanese "warning," which aroused a large body of adverse comment. Public opinion coupled it with the Japanese memorandum of May 18 as renewed evidence that Japan harbored aggressive intentions with respect to Manchuria. Tokyo promptly denied that Baron Hayashi had spoken officially for the Japanese government, and later stated that his words had been tendered merely as "advice."

Early in October negotiations between Nanking and Mukden were so far successful that the formal establishment of a unified central government was finally achieved. The new government was inaugurated October 10, 1928. The Nationalist Commander-in-Chief, Chiang Kai-shek, became chairman of the State Council, the supreme governing body. Chang Hsüeh-liang was included among the sixteen members of the State Council.

What the Chinese Foreign Minister, C. T. Wang, termed the most significant political event in the Far East in recent times took place on December 29, 1928, when the Manchurian leaders brought their territory for-

mally under the jurisdiction of the National Government at Nanking. The formal appointment of the Manchurian officials announced by Nanking on January 1, 1929 merely confirmed the existing status: Chang Hsüeh-liang being "named" Commander-in-Chief of the northeastern frontier defense, and the acting governors of the three Manchurian provinces and Jehol being "appointed" to the chairmanships of these provincial governments.

The most decided gain to China by this agreement was the National Government's assumption of control over Manchuria's foreign relations, thus removing the danger of foreign manipulation of the local Manchurian leaders for unscrupulous purposes. On the other hand, it was quite clear that the Manchurian authorities would jealously resist any attempt of the Nanking government to assert its control over the internal affairs of the Manchurian provinces.

THE REGAINING OF SHANTUNG

Reference has already been made to the Japanese intervention in Shantung, and the resulting Tsinan Incident of May 3 to 10, 1928.⁴ In the course of the incident, the Japanese General Fukuda proclaimed and enforced a neutralization of the Tsingtao-Tsinan railway zone that lasted for a full year, until May 20, 1929. The practical effect of this action was to establish a Japanese corridor through the heart of Shantung, fifteen miles wide and 240 miles long, within which Chinese troops were forbidden to operate. The Nationalist forces were also prevented from utilizing the north-to-south line of the Tientsin-Pukow railway, which was blocked by the Japanese control of Tsinan.

The resulting difficulties of communication within Shantung delayed effective military control of the province by the Nationalists for the full period of Japanese occupation. Northeastern Shantung, especially around Chefoo, was long the prey of pseudo-Nationalists and remnant Northern bands. In February these forces were joined by Chang Tsung-ch'ang, the former Shantung governor, who returned with 250 bodyguards on

2. In a memorandum dated May 18, 1928, the Japanese government had issued a warning that if war spread to Manchuria it might be constrained to take steps for the maintenance of peace and order in that region. Cf. F. P. A. *Information Service*, Vol. IV, No. 8, cited, p. 183-84.

3. The special envoy, Baron Gonsuke Hayashi, repeated the warning. Cf. *Pacific Affairs*, December 1928, p. 4.

4. Cf. p. 297. The most serious episodes were a clash between the Chinese and Japanese troops resulting in large casualties, the bombardment of specified areas of Tsinan by the Japanese, and numerous outrages reported by both sides. For further details cf. F. P. A. *Information Service*, Vol. IV, No. 8, cited, p. 182-83.



a Japanese steamer he had chartered and stocked with military supplies in Dairen. Chang Tsung-ch'ang's preliminary successes near Chefoo aroused effective Nationalist resistance that resulted in his complete defeat. But once again he escaped capture by the Nationalists, slipping out of Chefoo on April 22, 1929, with a facility equal to that of his escape from Chihli province the previous September.

The bitter resentment of the Chinese people over the long-continued Japanese occupation of Shantung found expression in a general economic boycott of Japanese goods that started slowly during the summer of 1928 but grew steadily more effective in the course of the fall and winter. When Japanese goods began to pile up in the warehouses of China's port cities as a result of the boycott, Tokyo was stimulated to initiate preliminary negotiations on October 19 for a settlement of the Tsinan Incident and other Sino-Japanese difficulties. Formal negotiations between Mr. Yoshizawa, the Japanese Minister, and Dr. C. T. Wang opened on January 25, and an agreement settling the Tsinan Incident was finally initialed on March 28, 1929.⁵ In brief it called for (1) the withdrawal of the Japanese troops from Shantung not later than two months from the date of signature, (2) a Sino-Japanese commission to investigate and adjudge the

losses sustained by both countries, and (3) a statement of mutual regret for the incident.

The Japanese carried out their part of the bargain with scrupulous exactness. They were ready to get out early in May, but delayed their departure at the request of the Chinese.⁶ Their last troops finally left one full week before the date set in the agreement; i. e., on May 20 instead of May 28. The Chinese found it more difficult to fulfill their unofficial agreement to put a stop to the anti-Japanese boycott, which lasted through the summer months of 1929 despite government attempts to end it.

The diplomatic settlement of the Tsinan Incident necessarily left many of its graver consequences untouched. Japan could ill afford the expense involved in the dispatch of her troops to Shantung, the total for which has been put at not less than Y37,400,000 (over \$15,000,000).⁷ Moreover, the boycott stimulated native Chinese manufactures—especially in cloth goods which Japan has long supplied China—to such an extent that Japanese trade will continue to suffer largely from its effects. Finally, China's feeling of helplessness in the face of Japanese aggression in Shantung confirmed recent Chinese tendencies toward militarization as already expressed in the Nationalist ruling that military training be compulsory in senior high schools and in the universities.

THE NATIONALIST PARTY AND THE NATIONAL GOVERNMENT

The inaugural ceremony for the officials of the new National Government took place on October 10, 1928 at Nanking,⁸ where Sun Yat-sen had acted as Provisional President for a short time in 1912. The National Government of the Republic of China was set up by the Nationalist Party, or Kuomintang, which also directs and supervises its administration. While the new government of China is thus a frank party dictatorship, the preamble to the Organic Law⁹ states that this "educative stage" is preparatory to a constitutional government in which political power is to be restored to the people. A resolution of the Central Executive Com-

mittee of the Nationalist Party, adopted when the new basic law was approved, further states that "the people shall be gradually trained to exercise their four political rights, namely: election, recall, initiative, and referendum." A party manifesto issued by the same body on June 18, 1929, set 1935 as the date when the period of "political tutelage" is to be brought to an end.¹⁰

The Nationalist Party and the National Government are welded into a single governing force by virtue of a series of interlocking congresses, councils, and committees. In this respect it closely follows the interlocking party and government system in Soviet Russia. In the Nationalist Party the biennial Congress elects the supreme controlling body known as the Central Executive Com-

5. For text of agreement cf. *The China Weekly Review*, April 6, 1929, p. 227.

6. Cf. p. 306.

7. Cf. analysis of the cost of Japanese occupation in *The Week in China*, May 18, 1929, p. 379-84.

8. Cf. p. 298.

9. Promulgated and made effective October 4, 1928. For text cf. *The China Weekly Review*, October 13, 1928, p. 224-25.

10. For text of manifesto cf. *The Week in China*, June 22, 1929, p. 499-500. For discussion of the dictatorship cf. p. 303.

mittee, which delegates large powers to the Central Political Council. In the National Government the active directing body is the Central State Council, assisted by the Central Military Council and the Central Research Council. From the State Council are

chosen the heads of the five Yuan, or Boards: Executive, Legislative, Judicial, Examination, and Control. The various government Ministries are in the Executive Yuan. This scheme may be plotted in order of descending authority as follows:

RELATION OF THE NATIONALIST PARTY TO THE NATIONAL GOVERNMENT

	<i>Governing Bodies</i>	<i>Cooperating Bodies</i>
Nationalist Party	1. National Congress 2. Central Executive Committee 3. Central Political Council	Central Supervisory Council
National Government	4. Central State Council— The five Yuan— Executive (Ministries) Legislative Judicial Examination Control	Central Military Council Central Research Council

The composition and operation of these various party and governmental organs may be briefly outlined as follows:¹¹

THE NATIONALIST PARTY

1. The *National Congress* is the supreme Kuomintang body. It meets once every two years and is composed of delegates elected biennially by the party members in the provincial, special, and overseas districts. It elects the members of the Central Executive Committee.

2. The *Central Executive Committee* is composed of thirty-six members, who meet once every three months and elect from among their number a Standing Committee of from five to nine members. This Standing Committee is supreme during the intervals between meetings of the Congress and Executive Committee.

3. The *Central Political Council* is composed of from 49 to 99 members, including all members of the Central Executive Committee and of the Central State Council. It performs much of the administrative work of the Nationalist Party, subject always to review by the Central Executive Committee.

4. The *Central Supervisory Council* supervises all matters pertaining to the organization of the Nationalist Party submitted to it by the Central Executive Committee.

THE NATIONAL GOVERNMENT

1. The *Central State Council* is composed of from twelve to sixteen members appointed by the Central Executive Committee. The chairman is President of the National Government and Commander-in-Chief of the Army and Navy. This body coordinates the work of the five Yuan and promulgates all laws.

2. Through the *Central Military Council* in time of war the Chairman of the State Council, as Commander-in-Chief, exercises direct control

over the military, naval, and air forces. In time of peace military and naval affairs are administered by the Minister of War.

3. The *Central Research Council* is the highest organ for academic and scientific research in the Republic of China, and is directly responsible to the National Government. It is composed of fourteen bureaus, and is presided over by a director specially appointed by the National Government.

It is clear that the Nationalist Party is in effective control of the National Government. The government, in fact, even in its legislative branch, is essentially administrative. The Legislative Yuan exists principally to give technical form to the will of the real sovereign—the Central Executive Committee. In practice, since the Central Executive Committee meets in plenary session but four times a year, a small oligarchy of from five to nine men, comprising the Standing Committee, exercises the actual authority.¹² The inclusive membership of the Central Political Council makes it the common meeting ground of the government (State Council) and the party (Central Executive Committee), and all questions of government or program are threshed out at these common meetings. But the final decisions rest with the Central Executive Committee alone.

THE STATE COUNCIL¹³

The State Council with its five Yuan constitutes the National Government, which exercises "all the governing powers of the

11. *China Weekly Review*, December 15, 1928; also *China Monthly Trade Report* (U. S. Department of Commerce), November 1928.

12. Among others the Standing Committee includes Chiang Kai-shek, Hu Han-min, Wang Ch'ung-hui, T'an Yen-k'ai and Sun Fo.

13. Cf. *The Week in China*, November 10, 1928, p. 7-13.

Republic of China." The heads of the Yuan are appointed by the Central Political Council from among the State Councillors.

The Nationalist Party exercises its most effective influence on the government in matters of legislation, since every bill must be submitted for approval to the superior party organs before enactment. Each Yuan may introduce bills into the Legislative Yuan on matters which pertain to its respective branch. When passed by the Legislative Yuan, the bills are sent to the State Council for consideration. They are then sent through the Political Council to the Executive Committee, or vice versa. After being passed by the Political Council and Executive Committee they are returned to the State Council for promulgation.

Each of the five Yuan is the highest organ of the National Government in its respective sphere. The Executive Yuan establishes the ministries and appoints the commissions necessary to conduct the administrative work of the government. The Legislative Yuan decides on legislation, budgets, amnesties, important international affairs, and matters submitted to it by the other four Yuan. The Judicial Yuan takes charge of judicial trials,¹⁴ judicial administration, disciplinary punishment of officials, and trial of administrative cases. The Examination Yuan administers civil service examinations, and determines qualifications for public service. The Control Yuan exercises the powers of impeachment and auditing.

THE CONFERENCES¹⁵

In addition to the foregoing, three Conferences—National, Government and Administrative—play a decisive part in the determination of important matters of State policy, in oiling the machinery of administration, and adjusting differences between the Yuan or solving problems that one or more Yuan have been unable to meet successfully.

The National Conference, meeting once every three months, is composed of the members of the Central Executive Committee

and the Central Supervisory Council. At its sessions all the large questions of party policy, national government, internal reconstruction and foreign relations are determined. This conference is identical with the Plenary Session of the Central Executive Committee, and is usually so termed.

The Government Conference is composed of the Central State Council, the chairmen of the five Yuan, and other members elected by the National Conference. The president of the State Council acts as chairman. The Government Conference acts to harmonize the broader phases of the work of the government by keeping it in touch with the guiding principles laid down by the National Conference.

The Administrative Conference is composed of the chairmen and vice-chairmen of the Yuan, the ten Ministers of State, and the heads of the Executive Commissions. It promotes cooperation and a general understanding on administrative work and problems among the different Yuan, ministries, commissions and departments.

FORMATIVE INFLUENCES BEHIND THE NEW GOVERNMENT¹⁶

Dr. Edward S. Corwin, Professor of Jurisprudence at Princeton University, in a recent address at Shanghai, described the new Organic Law and the National Government at Nanking as

"... an endeavor to give legal force and sanction to a revolutionary autocracy which is collegiate in form and which is qualified by a pledge to pave the way in China by a process of education for a truly democratic régime. The real power back of the instrument is the leadership of the Kuomintang and that of the military elements which train under its banners. The latter are still imperfectly assimilated to the former, but are indispensable to them. This twofold leadership, the chief figures of which are well known, appears in several guises. Standing in the place of the Kuomintang itself, at any rate in intervals between various party assemblies, is the Central Executive Committee. From this body in turn emanates the Central Political Council, which appears to be the active directing agency of the new régime outside the Organic Law, but whose decisions on important matters are taken *ad referendum* to the other body. Finally, under the Organic Law and the highest authority known to it, is the State Council, which

14. By an order of the Central Political Council on November 8, 1928, the name of the department of judicial trials was changed to "the Supreme Court."

15. *European Economic and Political Survey*, Vol. IV, Nos. 11-12; also *China Monthly Trade Report* (U. S. Department of Commerce), November 1928.

16. Cf. especially article by Dr. Corwin, "Some Observations on the Organic Law," *China Tomorrow*, December 20, 1928.

is provided for in the new instrument. The military-political leadership which is thus furnished with legal means of expression, it is the immediate purpose of the Organic Law to hold together as the essential condition of its retaining the governing power of China. The Organic Law has, then, a two-fold character: firstly, that of a treaty, or *modus vivendi*, among more or less competitive groups; secondly, that of a trial constitution or form of government. Confirmatory of its former character are: firstly, its omission of any reference to the ultimate authority of the People; secondly, other notable omissions as for example, of any stipulations regarding the length of official terms, of any provision regarding the relation of the executive to the legislative powers, of any provision regarding the relation of the central to the local governments, of a bill of rights, etc.; thirdly, its conception of executive power as covering, so far as initiative is concerned, the entire field of government, but with especial emphasis upon the functions of war and diplomacy; and, finally, the elaborate procedure which it lays down for getting things done."¹⁷

THE DICTATORSHIP

In its main outlines this Nationalist Party and National Government system duplicates the Communist party and Soviet government system in Russia, thus reflecting the influence upon its author, Sun Yat-sen, of his study of the Soviet system. The biennial Kuomintang Congress corresponds to the annual All-Union Congress, the Kuomintang Central Executive Committee to the Soviet Central Executive Committee, and the State Council to the Council of People's Commissars.

But the Soviet system has been worked out on a broader local elective basis than the Kuomintang. In Russia the local Soviets are directly elected by the people, whose representatives elect the various Congresses of Soviets, from which the All-Union Congress is chosen.¹⁸ In China the single elective feature of the new system is that of the biennial National Congress by the party members of the various districts, but even this safeguard has been recently voided by the "packing" of the Third National Congress of the Kuomintang by Chiang Kai-shek's supporters. This usurpation of authority by the group at present in control of the Kuomintang machinery, which virtually makes it self-perpetuating, was sanc-

tioned by an amendment to the original Kuomintang Constitution passed at the Third National Congress on March 27, 1929. By this amendment Article 29 is changed to read: "The organization of the National Convention, the election of delegates, and the quota of delegates from each locality shall be determined by the Central Executive Committee."¹⁹

No higher appeal is available against the decisions of the Central Executive Committee, which is governed by the oligarchy represented in its Standing Committee. The decisions taken by this small group of from five to nine men remain outside and above the Organic Law, which, moreover, contains no bill of rights. In a widely read article published June 3, 1929, Dr. Hu Shih, the famous Chinese scholar included by John Dewey among the "six most intelligent men of the world," attacked the present régime on this issue, listing specific incidents of arbitrary acts of the government against person and property, and against the freedom of the press.²⁰

The Chinese press has always been subject to an arbitrary government censorship, but this issue was even more acutely raised during the present year when the government proceeded to deny mailing privileges to such foreign newspapers as the *North China Star*, *North China Daily News*, *Le Journal de Peking* and others, without preferring charges. The Chinese government further requested the United States to deport two American correspondents, George Sokolsky and Hallett Abend, charging them with libel and falsification of news. The accused newspapers and correspondents protested against the arbitrariness of the Chinese government's action, claiming that it should have proceeded against them by due process of law in the consular courts.²¹ The United States government supported this stand, and adopted a "hands-off" policy in the case of the correspondents. The proscriptions against the newspapers dragged on for varying periods of time, and were finally rescinded. On September 5 the Cen-

19. Translated from the revised Kuomintang Constitution.

20. For Hu Shih's article cf. *The Week in China*, June 15, 1929, p. 477-83.

21. The newspapers and cable offices are in foreign settlements and so are not directly amenable to Chinese law. The Chinese government was naturally averse to instituting proceedings in the foreign consular courts, whose jurisdiction it is attempting to abolish.

17. Reported in *The China Weekly Review*, February 9, 1929, p. 464.

18. H. N. Brailsford, *How the Soviets Work*, Chapter V.

tral Executive Committee passed a resolution that all the press censorships in various parts of the country should be immediately abolished.²² This resolution also provided for the registration of daily newspapers with the publicity department of the local Kuomintang organizations. Registration may be withdrawn if a complaint of the local publicity department is adjudged well founded by the central publicity department.²³

On the basis of the Kuomintang's present constitutional arrangements, the technical legality of the Central Executive Committee's acts, however arbitrary they may be, cannot be questioned. The party proposes to maintain the present status at least until 1935. The decisive test during these years will be how the Central Executive Committee uses the extraordinary powers it legally enjoys. To what extent will it guarantee the basic rights to security of life and property? To what extent will it associate varying and even opposing views in its party councils? To what extent will it carry out its avowed purpose of training the people in the exercise of their constitutional rights? Some indication of the insecurity

of life and property under the present régime has already been given, although this must be partly attributed to the aftermath of civil warfare and the central government's incomplete control of the country. On the second point, it is still a delicate problem as to how far the Kuomintang may admit opposing views without upsetting the continuity of its present constructive program. In the third case, several plans for the training of the people in their constitutional rights have been formulated by the Central Executive Committee. A start at carrying out these plans has already been made in some provinces, where schools for training prospective officials in the rudiments of economics and political science give six-month courses. Local officials are required to attend these schools and pass an examination before appointment. An even more important step in the evolution of a democratic government was formulated by the Legislative Yuan on September 3, 1929. The proposed law is to be known as the Village and Town Autonomy Enforcement Law, and is concerned with methods for developing democratically controlled village and town governments.²⁴

THE GROUP STRUGGLE WITHIN THE CENTRAL GOVERNMENT²⁵

The Organic Law and the National Government thereby set up represented a compromise pact among a half-dozen politico-military leaders, each supreme in his special sphere of influence. They were fairly unanimous with regard to the foreign policy to be pursued by the central government they had set up, but they were far from unanimous with regard to the extent of that government's authority in their own particular spheres of local influence. It is in this latter sphere rather than in its foreign relations that the stability of China's new government has been most severely tested. Several cases of serious defection occurring within the last eight months have seriously impeded the normal work of the central government.

THE REGIONAL SATRAPIES

Among the six regional leaders at the time the new government was set up (October

1928), Chiang Kai-shek occupied a strategic position. His military forces controlled the provinces of Kiangsu and Chekiang, lying on either side of the lower Yangtze River, and to these the neighboring provinces of Anhwei, Kiangsi, and Fukien were soon added. This district contained Nanking, the seat of the central government, in which Chiang Kai-shek was president of the State Council. Of the remaining five regional commanders, Chang Hsüeh-liang, controlling Manchuria, had just been appointed to the Central State Council, while each of the other four occupied some important position in the central government. These four leaders were Yen Hsi-shan (Shansi and Chihli), Feng Yü-hsiang (Honan, Shensi and Kansu), Li Tsung-jen (Hunan and Hupeh), and Li Chi-shen (Kwangsi and Kwangtung).

Of the six regional satrapies, Manchuria was most secure in its freedom from central control and therefore least involved in the

22. Government officials stated that in peace time the principle of no press censorship would rule, but that censorships might be imposed in disturbed districts or during emergencies.

23. *Kuo Min News Agency Report*, September 6, 1929, p. 4.

24. *The Leader* (Peking), September 10, 1929, p. 8.

25. By the term "central government" is meant the interlocking party and government system at Nanking.

political manoeuvring within China proper during the period under consideration. Chiang Kai-shek led the fight to increase the authority of the central government over its regional constituencies. The supporters of regional authority were chiefly Li Chi-shen and Li Tsung-jen, who with another Nationalist general, Pai Ch'ung-hsi, formed the so-called "Kwangsi faction." Yen Hsi-shan and Feng Yü-hsiang on the whole supported the movement toward centralization. The struggle was carried on for the most part within the councils and committees of the central government at Nanking, where representatives of each of these groups attempted to maintain the delicate equilibrium among their competing interests requisite for the continued functioning of the government.

LOCAL GOVERNMENT

In the sphere of provincial government these conditions gave rise to a web of competing authorities, nominal and actual. The ultimate basis of Chinese local government, the sway exercised by the gentry and clan-elders of the village in economic and religious affairs, was never seriously affected by the revolution. The early hue and cry against the gentry-landlords subsided when, with the rise of the conservative Chiang Kai-shek, the majority of this class joined the Kuomintang. But the county and provincial governments, formerly controlled by the old militarists, were now turned upside down. Here the attempt was made to duplicate the combined party and government system in force at Nanking, but without the safeguard afforded by placing a single group of people in control of both directorates. New Provincial Governing Committees were placed under the supervision of Provincial Party Headquarters, and new County Governing Committees under County Party Headquarters; in addition, several representatives of the Central Political Council at Nanking were sent to provincial party headquarters with supervisory powers. Confusion was the logical result. Not only did squabbles develop over the respective authority of party organs and governing organs, but the regional leaders also resented the attempt of the Central Political Council to enforce the theoretical control of the central government over the local gov-

ernments. Right- and left-wing factions in all of these party and governing organs caused additional complexities and further retarded the creation of an efficient system of local government.

An even more vital influence on the group struggle for power within the Kuomintang was exerted by the series of Branch Political Councils set up by each of the five regional leaders at the capital of his district to co-operate with the central government. These Branch Political Councils were located at Mukden (under Chang Hsüeh-liang), Taiyuanfu (under Yen Hsi-shan), Kaifeng (under Feng Yü-hsiang), Hankow (under Li Tsung-jen) and Canton (under Li Chi-shen).²⁶ As in other cases, these Branch Political Councils were on paper subordinate to the Central Political Council at Nanking, but actually they were utilized by the regional leaders for their own ends until they became in effect decentralizing agencies. Much of the group struggle within the central government centred about the question of whether these Branch Political Councils should be maintained or abolished.

THE ELIMINATION OF THE KWANGSI FACTION

During the nine months from June 1928 to April 1929 China enjoyed one of the few periods of comparative peace it has experienced since the revolution that overthrew the Manchu régime in 1911. With the confusing duplication of party and governing organs in the provinces, and the lack of definite demarcation between the central and local authorities, it was remarkable that no serious outbreak among the regional groups occurred during the winter of 1928-1929. The loose federation of regional governments that made up the central government so far had managed to settle its difficulties without resort to warfare, and the habit of peace was growing. This was made clear when public opinion lined up solidly behind Chiang Kai-shek when the central government clashed with the Kwangsi faction in March 1929.

This outbreak was precipitated in February, when the head of the Hunan provincial government—an appointee of the central government—was ousted by force on command of the Hankow Divisional Coun-

26. The Branch Political Council at Peking was partially controlled by Yen Hsi-shan.

cil²⁷ headed by Li Tsung-jen. The basic point at issue, however, was the refusal of the Kwangsi faction to cooperate with the central government on putting into effect the terms of the January (1929) disbandment conference designed to bring the regional armies and revenues under centralized control. Each side accused the other of plotting for power within the government, but the Kwangsi faction was the first to set troops in motion.

Chiang Kai-shek proclaimed the issue to be one of direct disobedience to the regularly constituted central authority, and would accept no terms short of complete surrender. The Third National Kuomintang Congress—allegedly packed with Chiang Kai-shek's adherents—began sessions at Nanking March 15, and at once issued an order to the Kwangsi generals to suspend military operations. The order was disobeyed. Meanwhile, Li Chi-shen, the Canton leader of the Kwangsi faction, boldly entered Nanking for purposes of negotiation on a guarantee of immunity from the central government. In spite of the guarantee, Chiang Kai-shek had him arrested under accusation of plotting against the government. Neither of the other chief Kwangsi leaders was at the centre of disturbance in Hankow at the time, Li Tsung-jen being in Shanghai and Pai Ch'ung-hsi in Tientsin.²⁸ It thus happened that in the decisive fighting about Hankow military operations on the Kwangsi side were conducted by their lesser generals. Nevertheless, a punitive mandate was issued by the government against the major Kwangsi leaders, Li Chi-shen, Li Tsung-jen and Pai Ch'ung-hsi, denouncing them as rebels and dismissing them from all their posts.

The Hankow campaign was conducted by Chiang Kai-shek in person, and was strikingly swift and complete.²⁹ Its major phases were completed in one week, at the end of March and beginning of April. The issue was decided by the defection of an important Kwangsi force occupying a strategic position. On April 6, amid an enthusiastic popular ovation, Chiang Kai-shek made a tri-

umphal entry into Hankow. He was followed a few days later by the National Minister of Finance, Mr. T. V. Soong, who at once set about reorganizing the finances of the region. The Kwangsi remnants about Hankow were cleaned up in a few weeks, but their major forces straggled down through Hunan province into Kwangsi province.

Meanwhile, important events were transpiring at Canton. In the absence of Li Chi-shen, who was under arrest at Nanking, a pro-Chiang Kai-shek general had carried the whole of Kwangtung province for the central government. When Li Tsung-jen and Pai Ch'ung-hsi reached Canton, they were therefore forced to withdraw into Kwangsi to reorganize their scattered forces. During May they launched a determined drive on Canton, which ended with the failure of a last desperate attack by Pai Ch'ung-hsi that all but took the city. By the middle of June the government forces were in complete control of Kwangsi and Kwangtung, and Mr. T. V. Soong was initiating a system of central administration of their finances and revenues.

CRISIS WITH FENG YÜ-HSIANG

Trouble between Feng Yü-hsiang and Chiang Kai-shek developed immediately after the collapse of the Kwangsi forces at Hankow, which had considerably strengthened the hands of both Feng and Chiang. Feng Yü-hsiang had long been expected to take over control of Shantung when the Japanese evacuated, and under stress of the Kwangsi conflict it was alleged that Shantung was definitely allocated to Feng's sphere of influence. General Sun Liang-cheng, a Feng Yü-hsiang adherent, had for some months acted as chairman of the Shantung provincial government, and early in April was designated by Chiang Kai-shek to take full charge of the military and civil rehabilitation of Shantung. He was moving to occupy Tsinan, which the Japanese were evacuating on April 17, when it became known that the central government had requested the Japanese to delay their departure for a short time. Feng Yü-hsiang immediately sent out a telegram stating that he was entirely ready to abide by any decision the central government might make as to the forces that should garrison the province after the Japanese left.

27. Divisional Councils had replaced the Branch Political Councils in January; this was a change in name only.

28. They eventually found their way to Canton, the other centre of power of the Kwangsi faction.

29. Chiang Kai-shek's chief-of-staff in this campaign was Ludendorff's former chief-of-staff, General Max von Bauer, who has since died of smallpox.

On April 26 a government mandate ordered that the control of Shantung be split up among three groups, one of which was to be that led by Governor Sun Liang-cheng. Scanting trouble in this arrangement, Sun Liang-cheng and his forces withdrew from Shantung into Honan the next day, whereupon the officials of Marshal Feng Yü-hsiang throughout the country contracted diplomatic illnesses which necessitated their departure for concessions, legation quarters, and other immune areas. At the same time Feng Yü-hsiang sent an autograph letter to Chiang Kai-shek reiterating his wholehearted loyalty to the central administration. Trouble threatened for three weeks, and then on May 20 the storm broke. On that date Feng Yü-hsiang issued a letter to the representatives of the foreign powers declaring that Chiang Kai-shek had monopolized the central government until it no longer represented the nation, and that a punitive expedition was being launched against him. On May 23 Feng was dropped from Kuomintang membership, and on May 24 a mandate ordering his arrest was issued by the Nanking government. At this period Yen Hsi-shan was definitely supporting Chiang Kai-shek. Marshal Feng now withdrew his forces from Honan toward Shensi, and government forces gathered to the south and east of Honan.³⁰

There matters rested during the removal of Sun Yat-sen's body from Peking to Nanking, where it was finally laid to rest with elaborate ceremony on June 1 in the imposing mausoleum on Purple Mountain. One of Feng's generals in Honan had meanwhile declared his loyalty to the central government, the effect of his declaration being to create a buffer region between Feng and Chiang until the reliability of his protestations had been proved. The tension be-

tween the government and Feng Yü-hsiang now began to lessen. During this period steady negotiations were being carried on by representatives of the three chief leaders concerned: Chiang Kai-shek, Feng Yü-hsiang, and Yen Hsi-shan. It soon became apparent that Yen Hsi-shan was unwilling to support Chiang Kai-shek to the extent of waging a war of extermination against Feng Yü-hsiang. The upshot was a compromise. At first the plan was that Yen Hsi-shan and Feng Yü-hsiang were to go abroad together, leaving their troops in the hands of their lesser generals.³¹ Later, it was decided that Feng and Yen would remain in China for a period of three months. On July 5 the Executive Yuan at Nanking rescinded the order for Feng's arrest, and soon afterwards his diplomatic representatives returned to their posts in the government.

In these two crises with Feng Yü-hsiang and the Kwangsi faction, Chiang Kai-shek utilized his strategic position to strengthen the power of the central government to a very considerable extent. In March 1929 the central government effectively controlled the forces and administered the revenues of but five provinces: Kiangsu, Chekiang, Anhwei, Kiangsi, and Fukien. To these the rout of the Kwangsi faction added Hunan, Hupeh, Kwangtung, and Kwangsi; and in each case Mr. T. V. Soong followed up the military victory by a financial reorganization that centred control of the provincial revenues more effectively in the hands of the National Ministry of Finance. By the summer of 1929 the major revenue-producing provinces of China south of the Yangtze had come fairly effectively under control of the central government. North of the Yangtze, however, the dispute with Feng was only temporarily patched up, and broke out with renewed violence in October.³²

RECONSTRUCTION³³

The incessant civil strife of the past ten years has disorganized China's national finances, seriously damaged its public utilities, and left an aftermath of widespread banditry and famine.

It has already been pointed out that China's major internal problem is the disbandment of its surplus troops; for so long

as 80 per cent of the public revenues go to maintain huge armies no considerable funds will become available for the tasks of reconstruction. Nevertheless, pending army dis-

31. The Feng-Yen party was actually booked to sail from Tangku on July 5, but its plans fell through when Yen was taken sick and removed to the hospital.

32. For details cf. p. 295-96.

33. Current reconstruction problems and achievements in China are to be treated in a forthcoming report in the *Information Service* series.

30. Cf. *The Week in China*, May 25, 1929, p. 416-18.

bandment and reorganization, the Nanking government has made a fair beginning at reconstruction along various lines during the past year. New internal loan issues have been successfully floated and soundly managed, the loans contracted by previous Peking governments have been recognized and partially readjusted, a new Central Bank has been established at Shanghai, and a fresh start made toward redeeming the country's

depreciated currency. The railroads have been brought under the centralized control of the Ministry of Railways, and for the first time in many years through service was maintained on all the government lines during the past summer. Much activity has been shown in highway construction, especially in the southern and central provinces; and Nanking and Canton afford striking examples of the municipal developments now taking place in many cities of China.

FOREIGN RELATIONS

Two crises have arisen in China's foreign relations during the past year, one involving Japan and the other Russia. The tense feelings aroused by the Japanese occupation of Shantung had hardly subsided with the Japanese withdrawal at the end of May, when early in July a crisis with Russia arose as a result of the Chinese assumption of full control over the Chinese Eastern Railway in north Manchuria. Of greater basic importance than either of these crises, however, have been certain major advances made by China toward regaining full sovereignty—advances which are recorded in a series of new treaties concluded with twelve foreign powers during the latter half of 1928.

RELATIONS WITH JAPAN

The Tsinan Incident³⁴ gave rise to the bitterest feelings, but it was only one of several questions agitating Sino-Japanese relations during 1928 and 1929. The earlier Nanking and Hankow Incidents, the ever-present Manchurian problem, and the negotiation of a new commercial treaty were also pressing for settlement.

The Nanking Incident of March 24, 1927, in which Nationalist troops entering the city engaged in numerous attacks on foreigners, concerned all the chief foreign powers. The settlement of this issue by the United States on March 30, 1928,³⁵ and by Great Britain on August 9, 1928,³⁶ was followed by similar action on the part of the other powers except Japan. Sino-Japanese tension over the occupation of Shantung delayed the settlement not only of the Nanking Incident but also of the Hankow Incident. This incident (April 3, 1927) involved a mob attack

by Chinese on the Japanese concession which was repelled by Japanese marines. But the more cordial feelings between China and Japan resulting from the settlement of the Tsinan Incident on March 28, 1929, paved the way for a settlement of the earlier disputes. Thus it was not until May 2, 1929 that the texts of the Sino-Japanese notes settling the Nanking and Hankow Incidents were signed by Dr. C. T. Wang and Mr. Yoshizawa.³⁷ The terms followed those already arranged by the other powers. In both cases China expressed regret and accepted responsibility for the incidents, declared that the guilty persons had been dealt with, and proposed joint commissions to determine the compensation to be awarded. Japan's notes accepted the apologies and agreed to the appointment of commissions to assess damages. The marked difference should be noted between this settlement and that of the Tsinan Incident, in which Japan conceded China's contention of joint responsibility.

Japan has never officially accepted the abrogation of the Sino-Japanese treaty of 1896 announced by China as effective from July 20, 1928.³⁸ In an exchange of notes in August of the latter year the Japanese government asserted that it would negotiate for a revision of the treaty only if China rescinded the unilateral interim regulations announced on July 8, 1928, to apply pending the conclusion of a new treaty. The deadlock was partly broken on January 30, 1929, when a secret Sino-Japanese agreement was signed permitting China to put its new tariff schedule into effect. In a second exchange of notes (April 26 and 27, 1929), Japan

34. Cf. p. 298.

35. For text cf. *The Week in China*, April 7, 1928, p. 3-7.

36. For text cf. *Ibid.*, August 18, 1928, p. 3-6.

37. For text cf. *Ibid.*, June 8, 1929, p. 458-60.

38. For details of this treaty dispute cf. F. P. A. *Information Service*, Vol. IV, No. 15, "Treaty Revision in China," p. 318-19.

reiterated its demand that negotiations for a new treaty must be based on a recognition by China that the old treaty was still in effect, while China expressed a desire for immediate negotiations without further discussion of the validity of the old treaty.³⁹ Thus matters rest at the present writing, but with the recent appointment of Mr. Sadao Saburi, reported to be very cordial to Chinese aspirations, to succeed Mr. Kenkichi Yoshizawa as Minister to China, there is ground for renewed hope that China and Japan will find their way out of this treaty *impasse* in the near future.

THE NEW TREATIES⁴⁰

In the period from July 25, 1928 (when the United States negotiated the first treaty with the new rulers of China) to December 27 of the same year, a series of twelve treaties between China and various foreign powers was negotiated and signed. These treaties were conspicuous for their recognition of China's complete tariff autonomy, subject only to the condition that it be on a mutually non-discriminatory basis. In some cases an additional feature was the conditional abolition of extraterritorial privileges, to become effective January 1, 1930. A chart reviewing the salient points of these treaties is given below. In this list Japan and Russia are notable absentees. Japan's absence is due to circumstances which have been already described; Russia's absence is due to the fact that it had negotiated a treaty of mutual equality with China four years earlier, on May 31, 1924.

THE NEW TARIFF⁴¹

China's new customs tariff was adopted by the Nanking government on December 7, 1928, to come into force on February 1, 1929. It provides for a graduated scale of duties ranging from 7½ to 27½ per cent *ad valorem*, and is to remain in effect for one year.⁴² The maximum duty is applied to such non-essentials as liquors and tobacco products, in addition to a very considerable consumption tax to which Chinese goods are also subject. The principal object of the

new tariff is to secure additional revenue, but the protective principle has also been taken into account for the first time in Chinese tariff history. The conclusion of the Sino-Japanese tariff agreement on January 30, 1929, already referred to, made it possible for the new tariff schedule to become effective on February 1, as planned.

Two of the new treaties—those with France and Great Britain—provide that China shall abolish *likin* (the transit dues charged at inland stations) "as soon as possible." The wording of this provision, coupled with the fact that there is no mention whatever of *likin* in the majority of the treaties, indicates that the foreign powers have given up their former attempt to force China to abolish it. During the past year the Nanking government has attempted to eliminate *likin* in favor of a consumption tax. Widespread protest has been aroused over the simultaneous collection of both these taxes in several provinces.⁴³

MARITIME CUSTOMS⁴⁴

On December 31, 1928, Mr. A. H. F. Edwards tendered his resignation as Inspector-General of the Chinese Maritime Customs; the resignation was accepted by the Nanking government on January 8, 1929, and Mr. F. W. Maze—recognized as sympathetic to the new régime—was appointed in his stead. The transaction emphasized the fact that the Nanking government felt it was now dealing with assistants in its employ and not with foreigners who might dictate its policy. On February 28 a further step in the same direction was taken when the Ministry of Finance issued an order to Inspector-General Maze that with the exception of experts not available from the Chinese customs staff no further foreign staff members should be engaged, and that Chinese customs inspectors should enjoy equal opportunities with foreigners in matters of promotion. Although there is therefore evidence that the Nanking government is beginning to make its authority felt in the Customs Service, there would seem to be no intention of radically altering its administration. The same is true of the

39. For text of notes cf. *The Week in China*, May 4, 1929, p. 345-47.

40. Cf. Appendix for synopsis, p. 312.

41. Cf. F. P. A. *Information Service*, Vol. IV, No. 16, cited, p. 300-306.

42. For tariff rates cf. *The China Weekly Review*, December 15, 1928, p. 82.

43. Cf. list of 690 *likin* collectorates in *Chinese Economic Bulletin*, June 1, 1929, p. 279-80.

44. An institution administered by foreigners that has managed the collection of Chinese customs dues since the middle of the nineteenth century. The Inspector-General has always been an Englishman.

Post Office and the Salt Gabelle, where despite minor changes toward increased Chinese participation the foreign heads and foreign administration are being retained.

EXTRATERRITORIALITY⁴⁵

Belgium, Italy, Denmark, Portugal and Spain in their new treaties with China agreed to the surrender of extraterritoriality on January 1, 1930, provided that a majority of the powers represented at the Washington Conference should have concluded similar agreements by that date. At present Germany and Russia have entirely relinquished their extraterritorial privileges. The Japanese treaty covering extraterritoriality has been abrogated, and the Japanese are now technically without "treaty rights." The whole problem therefore centres upon the action that may be taken by the United States, Great Britain and France. Attention is focused especially upon the United States government, since the Sino-American treaty covering extraterritoriality comes up for revision in 1934, and since the United States led the way in its treaty with China on July 25, 1928, granting tariff autonomy. Whatever action is taken by the United States on extraterritoriality is likely to have as decisive an effect as did its action with respect to tariff autonomy.

Foreign Minister C. T. Wang on April 27, 1929 addressed identical notes to the several powers asking that the extraterritorial status of foreigners in China be given consideration with a view to its early abolition.⁴⁶ During the middle of August answers from the various powers reached Nanking. The lengthy American note points out that the recommendations of the Extraterritoriality Commission of 1926⁴⁷ have not been substantially carried out, and asserts that "there does not exist in China today a system of independent courts free from extraneous influence which is capable of adequately doing justice between Chinese and foreign litigants." Nevertheless, the Ameri-

can government is willing to negotiate with China for the gradual relinquishment of extraterritorial rights "provided that such gradual relinquishment proceeds at the same time as steps are taken and improvements are achieved by the Chinese government in the enactment and effective enforcement of laws based on modern concepts of jurisprudence."⁴⁸ The replies of France and Great Britain were substantially the same.

A second note on extraterritoriality was sent to the powers by Dr. C. T. Wang early in September. The note to the United States (September 5, 1929) requests the latter government to "enter into immediate discussions with the authorized representatives of the Chinese government for making the necessary arrangements whereby extraterritoriality in China will be abolished to the mutual satisfaction of both governments." The note also points out the good effects resulting from the abandonment of extraterritoriality by the United States in Turkey, and appeals to the sympathetic policies and ideals of the American government with regard to China.⁴⁹

The next move in China's struggle to secure the abolition of extraterritoriality was made at the Tenth Assembly of the League of Nations in September. Here Dr. C. C. Wu, the chief Chinese delegate, asked that the Assembly appoint a committee to decide how to apply Article XIX of the Covenant, which permits the Assembly to advise reconsideration by League members of treaties "which have become inapplicable." It was realized that the appointment of such a committee would constitute a precedent which might be used to disturb the European territorial settlement of 1919, and after a rather tense discussion China abandoned its proposal. Instead, a resolution was adopted reaffirming the principle of Article XIX.⁵⁰

On September 17 the Judicial Yuan of the Chinese government announced the appointment of a Preparatory Committee to attend to all matters in connection with the as-

45. Cf. F. P. A. *Information Service*, Vol. IV, No. 15, cited, p. 306-11.

46. For text of note cf. *The Week in China*, May 11, 1929, p. 361-63.

47. The Extraterritoriality Commission was appointed, pursuant to a resolution of the Washington Conference, to inquire into extraterritorial jurisdiction in China and the Chinese judicial system. It met in China in 1926 and after eight months of investigation drew up a report signed by the commissioners of the thirteen powers represented. The Chinese commissioner, however, signed with reservations.

48. U. S. State Department release to the press, September 4, 1929. China's new criminal codes were promulgated in March and July 1928. The new civil and commercial codes are now being drafted, and are to be promulgated before the end of this year. Regulations governing China's Supreme Court were adopted in August 1929. New courts have been established and additional judges appointed.

49. For text of note cf. *The Week in China*, September 14, 1929, p. 741-44.

50. For resolution as adopted cf. League of Nations, *Journal of the Tenth Assembly*, September 25, 1929, p. 384.

sumption by Chinese courts of jurisdiction over foreigners in China.⁵¹

CONCESSIONS, SETTLEMENTS AND LEASEHOLDS⁵²

Concessions, settlements and leaseholds include certain areas of China in which foreigners possess varying special privileges. Leaseholds are under the complete control of the country holding the lease. Concessions and settlements are areas belonging to China but governed and policed by foreigners.

Concessions

On August 31, 1929, an agreement was signed whereby Belgium undertook to return its concession in Tientsin to the Chinese government. Formal transfer of control will take place upon ratification by both parties. The gist of the retrocession agreement is as follows:⁵³

1. Perpetual leases are recognized for owners of private property, the leases to be obtained at a nominal fee.
2. Land taxes will remain as they are until the Chinese government initiates general land laws for the entire country.
3. China agrees to pay off the indebtedness of the area within six months of the coming into effect of the agreement.⁵⁴

Leaseholds

Negotiations for the return to China by Great Britain of the leased territory of Wei-hai-wei have been reported at various times during the year, but they have led to no definite results.⁵⁵

Shanghai International Settlement

In the International Settlement at Shanghai, which has a population of approxi-

mately 842,226 Chinese and 29,947 foreigners, the Chinese have gained genuine participation in the municipal government. Until April 10, 1928, the government of the Shanghai settlement was vested in a Municipal Council of nine foreigners. On that date, by an agreement concluded previously, three additional Chinese members were elected to the council, and six other Chinese appointed on various committees of the settlement. The present Municipal Council is composed of five British, three Chinese, two American, and two Japanese members.⁵⁶

The Chinese have also gained substantial control over the judiciary in the Shanghai settlement. The so-called Shanghai Provisional Court was set up on February 1, 1927, by an agreement made between the Shanghai consular body and the Kiangsu Provisional Government which was to hold for three years and afford the Chinese an opportunity to develop a model court. By this agreement the court is administered under Chinese law by Chinese judges, although deputies of the foreign consuls may sit with the Chinese judges in cases in which the peace and order of the International Settlement is concerned, or in which a foreigner enjoying extraterritorial rights is plaintiff. The foreign deputy has the right to record objections, but his concurrence is not necessary for the validity of the judgment. Neither Chinese nor foreigners are satisfied with this arrangement—the Chinese decrying usurpation by the foreigners of their deputy privileges, and the foreigners complaining that judges are under political influence and that judicial standards are not sufficiently high. During the spring of 1929 a sharp controversy developed over the conduct of a foreign attorney, leading to the resignation of Chief Judge Ho of the Provisional Court and the appointment by the Nanking government of one of the ablest Chinese judges, John C. Wu, in his place. Foreign Minister C. T. Wang has initiated negotiations with the foreign powers looking toward a definite settlement of the status of the court, the present provisional agreement for which expires January 1, 1930.

51. *Kuo Min News Agency* report, September 13, 1929.
52. Cf. F. P. A. *Information Service*, Vol. II, No. 25, "Foreign Interests in China," p. 306-307.
53. For text of agreement cf. *The Week in China*, September 14, 1929, p. 733-736.
54. Foreign concessions are still held in the following cities by:

Great Britain: Amoy, Canton, Tientsin, Chinkiang, Newchwang.

Japan: Amoy, Hankow, Tientsin, Hangchow, Soochow.

France: Canton, Hankow, Tientsin, Shanghai.

Italy: Tientsin.

Concessions formerly held by foreign powers have been recovered by China in the following cities from:

Germany: Tientsin and Hankow (1917).

Austria-Hungary: Tientsin (1917).

Russia: Tientsin and Hankow (1920).

Great Britain: Hankow and Kluikiang (1927).

Belgium: Tientsin (1929).

Cf. George H. Blakeslee, *The Pacific Area*, p. 44.

55. The state of other foreign leaseholds in China is as follows: Kiaochow (Tsingtao) was recovered from Japan in 1922; Kwangchowwan (French) is to be retroceded when other foreign powers return their leaseholds; Kowloon Extension (British) opposite Hongkong, and Liaotung Peninsula (Japanese), including Dairen and Port Arthur, are both leased until 1997 with no retrocession intentions evident. China disputes Japan's Liaotung Peninsula leasehold, which was extended to 1997 by virtue of treaty arrangements made in 1915 as a result of the Twenty-One Demands. Cf. Blakeslee, *op. cit.*, p. 56-57.

56. Cf. Blakeslee, *op. cit.*, p. 49. The nine foreigners on the Municipal Council are elected by the substantial foreign rate-payers who number less than 3,000; the three Chinese members of the Council are elected separately by their fellow-nationals.

RUSSIA AND MANCHURIA⁵⁷

Despite many unfounded rumors, no major clash has occurred between China and Russia in Manchuria at the date of writing.

China has steadily refused to grant Russia's demand that, prior to the opening of formal negotiations for the settlement of the dispute, a Soviet general manager and assistant manager of the Chinese Eastern Railway should be reappointed.

APPENDIX

SYNOPSIS OF TREATIES CONCLUDED BY THE CHINESE GOVERNMENT IN 1928⁵⁸

(Treaty provisions indicated by ★.)

Country and date of conclusion of treaty	Tariff autonomy conceded	Non-discriminatory tariff treatment accruing to both parties	Non-discriminatory treatment specifically in respect of		Abolition of likin and other inland taxes "as soon as possible"	Nationals made liable to taxation on non-discriminatory basis	Extraterritoriality in China conditionally given up on January 1, 1930	Residence, trade and acquisition of property in interior of China conceded on the giving up of extraterritoriality	Subjects for further negotiation
			Nationals	Goods					
U. S. A. July 25	★	★	★						
Germany August 17	★	★	★				Previously conceded		Treaty of commerce and navigation to be concluded on basis of equality
Norway November 12	★	★	★						Treaty to replace that of 1847 envisaged
Belgium November 22	★	★	★			★	★	★	Treaty of commerce and navigation to be concluded on basis of equality
Italy November 27	★	★	★			★	★	★	"
Denmark December 12	★	★	★			★	★	★	"
Portugal December 19	★	★	★	★		★	★	★	"
Holland December 19	★	★	★	★*					Revision of existing treaty of commerce and navigation forecast
Great Britain December 20	★	★†	★	★	★				
Sweden December 20	★	★	★	★					
France December 20	★	★‡	★	★	★				Convention respecting Indo-China to be negotiated before Mar. 31, 1929
Spain December 27	★	★	★			★	★	★	Treaty of commerce and navigation to be concluded on basis of equality

*Certain goods in which Holland is especially interested are specifically mentioned.

†Customs tariff to be applied uniformly on all land and sea frontiers of China.

‡Chinese products enjoying minimum French tariff are listed, since French law prevents according it *en bloc*; special accord for conventional tariff to be concluded.

57. Cf. F. P. A. *Information Service*, Vol. V, No. 11, "Russia and China in Manchuria."

58. The texts of the twelve treaties above, in addition to the synopsis, appeared in the *Peking Leader Reprint*, No. 43.